

Investment Idea



14 November 2025

research@rakutentrade.my

Investment Idea / IPO Note

Aquawalk Group Berhad

Making Waves Across ASEAN

By Crystal Chin



BUY

IPO Price: RM0.31
Fair Value: RM0.41

Aquawalk Group Berhad (AQUAWALK: 0380), is a leading aquaria operator with established assets across Malaysia, Thailand and Indonesia, comprising of Aquaria KLCC, Aquaria Phuket and a co-ownership stake in Jakarta Aquarium Safari. We project AQUAWALK to register core net earnings of RM36.6m and RM40.2m for FY25F and FY26F. BUY with a fair value of RM0.41, premised on 19x PER over FY26F EPS, supported by the new tourist attractions and the upcoming aquaria developments in Kota Kinabalu and Java.

A key strength for Aquawalk lies in the prime locations of its assets, situated within high-traffic tourist hubs such as the Kuala Lumpur Convention Centre, Phuket's major attraction belt and the rapidly developing Jakarta leisure district. These locations naturally benefit from rising intra-ASEAN tourism and recovering international travel.

Aquawalk intends to channel its proceeds into upgrading and expanding its existing aquaria. At Aquaria KLCC, the Group plans to introduce new attractions, improve back-of-house systems and enhance the overall visitor experience, including the addition of a new penguin exhibit targeted for completion by 4Q27. Meanwhile, Aquaria Phuket will undergo expansions by 3Q27 with the introduction of seals, penguins, sand tiger sharks and a range of upgraded exhibits. These enhancements are expected to increase dwell time, elevate ticket yields and sustain repeat visitation.

Meanwhile, Aquawalk are planning: (i) an oceanarium in Kota Kinabalu by end-2028 with Qhazanah Sabah, and (ii) a Java aquarium by end-2026 with PT Maju Batu Bersama. Both projects leverage the Group's in-house design and development capabilities thus strengthening its expansion pipeline across ASEAN. We see positive spillover from Budget 2026, which allocates RM500m for the Visit Malaysia 2026 campaign and introduces tax incentives for tourism operators. Additionally, the special individual income tax relief of up to RM1,000 for entrance fees to local tourist attractions and cultural programmes could serve as a potential demand catalyst.

AQUAWALK's financial position remains healthy with a net cash balance sheet. PAT margins remain solid at 35% in FY24 and are expected to hold, supported by healthy growth in ticketing sales from Aquaria KLCC and Aquaria Phuket. The Group has adopted a dividend policy of distributing at least 30% of net profit to shareholders.

KLCI	1,632.27
YTD FBM KLCI change	-0.61%
YTD FBM SC Index change	-4.93%

Stock Information

Market Cap Upon Listing (RM'm)	571.33
Enlarged Share Capital (m)	1,843.00
Shariah Compliant	Yes

IPO Proceeds (RM'm)

Capital expenditure	89.77
IT systems improvements	3.00
Working capital	14.49
Estimated listing expenses	7.00
Total	114.27

Major Shareholders

Vestmap	41.2%
Feliz Natur	5.3%
Aquawalk Holdings Limited	5.2%
Versatrad Agencies	3.8%

Summary Earnings Table

FY Dec (RM'm)	2023A	2024A	2025F	2026F
Revenue	95.8	104.3	107.6	115.9
EBIT	44.1	49.5	39.5	43.5
Pretax profit	43.3	50.1	40.2	44.2
PATAMI	33.8	45.6	36.6	40.2
Core PATAMI	33.7	36.4	36.6	40.2
Consensus	-	-	-	-
Core EPS (sen)	1.8	2.0	2.0	2.2
EPS growth (%)	45%	8%	0%	10%
DPS (sen)	0.0	4.6	0.6	0.7
PER (x)	16.9	15.7	15.6	14.2
BV/Share (RM)	0.05	0.15	0.17	0.20
ROE (%)	18.2%	38.0%	19.9%	12.3%
Div. Yield (%)	0.0%	14.8%	1.9%	2.1%

Sources: Prospectus, Rakuten Trade Research

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COMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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Kenny Yee Shen Pin
Head of Research